

SENATE BILL No. 277

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-2.5-5-4.5.

Synopsis: Sales tax exemption for research equipment. Exempts research and development equipment from sales tax.

Effective: July 1, 2005.

Meeks R

January 6, 2005, read first time and referred to Committee on Tax and Fiscal Policy.

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First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

SENATE BILL No. 277

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-2.5-5-4.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2005]: **Sec. 4.5. (a) As used in this section, "research and
4 development equipment" means tangible personal property that:**

5 **(1) is installed after June 30, 2005;**

6 **(2) consists of:**

7 **(A) laboratory equipment;**

8 **(B) research and development equipment;**

9 **(C) computers and computer software;**

10 **(D) telecommunications equipment; or**

11 **(E) testing equipment;**

12 **(3) is used in research and development activities devoted
13 directly and exclusively to experimental or laboratory
14 research and development for:**

15 **(A) new products;**

16 **(B) new uses of existing products; or**

17 **(C) improving or testing existing products;**



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1 (4) is acquired by the owner for a purpose described in this
2 subsection; and

3 (5) was never before used by the owner for any purpose in
4 Indiana.

5 The term does not include equipment installed in facilities used for
6 or in connection with efficiency surveys, management studies,
7 consumer surveys, economic surveys, advertising or promotion, or
8 research in connection with literacy, history, or similar projects.

9 (b) A retail transaction that involves research and development
10 equipment is exempt from the state gross retail tax.

11 SECTION 2. [EFFECTIVE JULY 1, 2005] IC 6-2.5-5-4.5, as
12 added by this act, applies to retail transactions that occur after
13 June 30, 2005.

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